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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.
09/294,898	04/20/99	SHIMKO	D 1750.0150000

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STERNE KESSLER GOLDSTEIN & FOX PLLC
ATTORNEYS AT LAW
1100 NEW YORK AVENUE N W SUITE 600
WASHINGTON DC 20005-3934

EXAMINER	
WEISBERGER, R	
ART UNIT	PAPER NUMBER

2164

4

DATE MAILED:

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Please find below and/or attached an Office communication concerning this application or proceeding.

Commissioner of Patents and Trademarks

Office Action Summary

Application No.

09/294,898

Applicant(s)

Shimko et al.

Examiner

Weisberger Richard C.

Group Art Unit

2165

☐ Responsive to communication(s) filed on _____.

☐ This action is **FINAL**.

☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11; 453 O.G. 213.

A shortened statutory period for response to this action is set to expire three month(s), or thirty days, whichever is longer, from the mailing date of this communication. Failure to respond within the period for response will cause the application to become abandoned. (35 U.S.C. § 133). Extensions of time may be obtained under the provisions of 37 CFR 1.136(a).

Disposition of Claims

☒ Claim(s) 1-26 is/are pending in the application.

Of the above, claim(s) _____ is/are withdrawn from consideration.

☐ Claim(s) _____ is/are allowed.

☒ Claim(s) 1-26 is/are rejected.

☐ Claim(s) _____ is/are objected to.

☐ Claims _____ are subject to restriction or election requirement.

Application Papers

☐ See the attached Notice of Draftsperson's Patent Drawing Review, PTO-948.

☐ The drawing(s) filed on _____ is/are objected to by the Examiner.

☐ The proposed drawing correction, filed on _____ is ☐ approved ☐ disapproved.

☐ The specification is objected to by the Examiner.

☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. § 119

☐ Acknowledgement is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d).

☐ All ☐ Some* ☐ None of the CERTIFIED copies of the priority documents have been

☐ received.

☐ received in Application No. (Series Code/Serial Number) _____.

☐ received in this national stage application from the International Bureau (PCT Rule 17.2(a)).

*Certified copies not received: _____.

☐ Acknowledgement is made of a claim for domestic priority under 35 U.S.C. § 119(e).

Attachment(s)

☒ Notice of References Cited, PTO-892

☒ Information Disclosure Statement(s), PTO-1449, Paper No(s). _____

☐ Interview Summary, PTO-413

☐ Notice of Draftsperson's Patent Drawing Review, PTO-948

☐ Notice of Informal Patent Application, PTO-152

--- SEE OFFICE ACTION ON THE FOLLOWING PAGES ---

Art Unit: 1774

DETAILED ACTION

Claim Rejections - 35 USC § 112

1. Claims 1-26 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

The independent claims 1, 12, 24 and 25 fail to claim with particularity the step of determining market to market and/or anticipatory collateral values for each of the portfolios of assets and sub-portfolios of obligations.

Claim 1,12,24 and 25 fail to claim with particularity the step of providing credits up to the MTM and/or Anticipatory collateral gains.

In claims 1,12,24 and 25 limitation -- the total amount of collateralis used to protect against actual losses -- is unduly vague. How are the losses protected? What is the scope of protected?

In claim 2 , -- market positions and/or market data -- are indefinite in scope.

In claim 7 and 18 , the step of rehypothecation is claimed without particularity.

In claim 8, 9, 10,19, 20 and 22 the limitations - mutualized -- is claimed without particularity.

Art Unit: 1774

In claim 12, clause 2, the anticipatory collateral for a portfolio is indefinite as the portfolio has previously been defined as only a bundle of assets and not a bundle of liabilities. Also, in claim 12, clause (3) the anticipatory value of the portfolio of the users is undefined.

Claim Rejections - 35 USC § 103

2. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) a patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

3. Claims 1-26 are rejected under 35 U.S.C. 102(b) as anticipated by or, in the alternative, under 35 U.S.C. 103(a) as obvious over Lee, Peter, a Question of Money.

The prior art teaches the general concept of the applicant's collateral management system. In particular, the prior art, at page 4, 4th paragraph, teaches the critical limitation of the applicant's invention by teaching that it is well known to have the right to rehypothecate, or reuse collateral as a credit against a second transaction obligation between the same or a second party. In the prior art's example, Salomon Brothers posts collateral to CSFP, and CSFP take those securities (credits) and pledges them as collateral on its own exposure to JP Morgan.

Art Unit: 1774

Steps 1-5 of claim 1 represent steps common to the all automated exchanges in the SWAPS industry and representing nothing more than automation of a known activity. As to the limitations directed to calculating the value of the Anticipatory Collateral and the Market to Market Collateral, the applicant alleges no novelty in these calculations. Moreover, the examiner takes official notice that these calculations are routine. Accordingly, it would have been obvious for one skilled in the art at the time to have incorporated each and every limitation not expressly discussed in the prior art as these steps in combination make the process continuous, rely on well known finance theory, and automate a well established manual activity. See, In re Ahlert, 424 F.2d 1088, 1265 USPQ 418 (CCPA 1970)

Respectfully;

A handwritten signature in cursive script, appearing to read "Weisberger", is written over a horizontal line.

Rich Weisberger

Primary Examiner

Business Methods of Banking and Finance

Telephone 703 308 4408